

HOUSE No. 361

By Mr. Linsky of Natick, petition of David Paul Linsky and others that cities and towns be authorized to establish post-retirement insurance liability funds. Public Service.

The Commonwealth of Massachusetts

PETITION OF:

David Paul Linsky	Emile J. Goguen
Brian A. Joyce	Carl M. Sciortino, Jr.
Michael J. Rodrigues	Stephen M. Brewer
Bradley H. Jones, Jr.	Richard T. Moore
Deborah D. Blumer	Alice K. Wolf
John D. Keenan	Susan C. Fargo
Rachel Kaprielian	Cory Atkins
Douglas W. Petersen	Karen E. Spilka
Bruce E. Tarr	Harriett L. Stanley
Denis E. Guyer	Shirley Gomes
John W. Scibak	Philip Travis

In the Year Two Thousand and Five.

AN ACT AUTHORIZING THE CITIES AND TOWNS OF THE COMMONWEALTH TO
ESTABLISH A POST RETIREMENT INSURANCE LIABILITY FUND.

*Be it enacted by the Senate and House of Representatives in General
Court assembled, and by the authority of the same, as follows:*

1 Any city or town which accepts the provisions of this act may
2 appropriate funds in order to offset the anticipated cost of pre-
3 mium payments for or direct payments to retired employees and
4 the elibgible surviving spouses or dependents of deceased
5 employees. Such amounts shall be credited to a special fund to be
6 known as the Post Retirement Insurance Liability Fund. Any
7 interest or other income earned by the fund shall be added to and
8 become part of the fund. The treasurer of the city or town shall be
9 the custodian of the fund and may deposit the proceeds in national
10 banks or invest the preceeds by deposit in savings banks, coopera-

11 tive banks or trust companies organized under the laws of the
12 commonwealth or in federal savings and loan associations situated
13 in the commonwealth or invest in securities as provided for in
14 Chapter 32 of the General Laws. Amounts shall be appropriated to
15 or expended from such fund only in accordance with an actuarial
16 schedule developed by the city or town. Such schedule shall be
17 designed to reduce to zero any unfunded liability attributable to
18 the payment of such premiums or direct payments. Such schedule
19 shall also be designed to maintain appropriations as a fixed ratio
20 of the current and predicted future payroll of the city or town. The
21 treasurer of a city or town may employ any qualified bank, trust
22 company, corporation, firm or person for advice on the investment
23 of the fund and to prepare an actuarial study and may pay for such
24 advice and service from the fund.